

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

House Bill 1158 (Delegate V. Clagett, *et al.*)
 Environmental Matters

Maryland Food and Hunger Policy Council - Department of Agriculture

This bill establishes a Maryland Food and Hunger Policy Council. The council meets quarterly and must develop strategies, including legislative and regulatory initiatives, to accomplish specified objectives; promote institutional purchase and consumption of Maryland-grown food products; recommend programs or pilot programs that would increase access to Maryland-grown foods for residents of the State; identify mechanisms by which the State may expand markets for Maryland agricultural products; and recommend policies that would increase spending of food dollars in the State on Maryland-grown food products. The Governor’s Intergovernmental Commission on Agriculture must provide appropriate staff for the council. The council is required to report, on or before January 1 of each year, on the implementation, including legislative and regulatory initiatives, of the bill, and periodically adopt specified strategic plans for achieving the duties of the council.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: General fund expenditures increase by at least \$75,000 to staff the council and provide expense reimbursement. Additional resources, however, are expected to be needed to carry out strategies or efforts developed, recommended, or identified by the council. Future years reflect annualization and inflation. Revenues are not affected.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	75,000	100,700	105,500	110,600	116,000
Net Effect	(\$75,000)	(\$100,700)	(\$105,500)	(\$110,600)	(\$116,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Background:

Promoting Maryland Agriculture and Addressing Hunger in the State

State policies/efforts promoting Maryland agriculture and addressing hunger in the State include:

- Maryland's Best™ Program – Administered by the Maryland Department of Agriculture (MDA), the program links Maryland farmers with consumers online and through promotions and advertising.
- Jane Lawton Farm-To-School Program – Administered by MDA, in consultation with the Maryland State Department of Education, the program is generally aimed at promoting and facilitating the sale of farm products grown in the State to Maryland schools.
- Other efforts of MDA's Marketing Services Division – The division's principal role is to identify and develop profitable marketing opportunities for Maryland farmers and agricultural producers. The division helps farmers to market their products directly to supermarkets, schools, chefs, hotels, food services businesses and other wholesale buyers, and directly to consumers at farmers' markets and other venues.
- Federal Farmers Market Nutrition Program – A federal/state partnership administered by state agencies, with grants from the U.S. Department of Agriculture's Food and Nutrition Service, the program provides access to locally grown fruits and vegetables to participants in the Special Supplemental Nutrition Program for Women, Infants, and Children and low-income seniors. MDA indicates 265 farmers participated in the program at farmers' markets across the State in 2008, with \$149,000 in general funds leveraged to generate a program commitment of more than \$480,000, including federal funds.
- Partnership to End Childhood Hunger in Maryland – The partnership, between the Governor's Office for Children and Share Our Strength, a national organization addressing childhood hunger in America, aims to "close the gaps between existing public and private programs and the families who need them."

Governor’s Intergovernmental Commission for Agriculture

The Governor’s Intergovernmental Commission for Agriculture was established in 2006 under Executive Order 01.01.2006.06 to “promote the economic profitability of agriculture in the State by ensuring that all appropriate State agencies work in a cooperative, coordinated manner with local government and industry groups in planning, implementing, overseeing, and evaluating intergovernmental initiatives related to the agricultural affairs of the State.” MDA provides primary staff support and resources to the commission. The commission is given various specified duties under the executive order, must perform other duties and responsibilities as assigned by the Governor, and must report to the Governor by October 1 of each year with recommendations to support a coordinated State agricultural strategy.

State Food Policy Councils

According to the Community Food Security Coalition, nine states have food policy councils authorized by state government: Connecticut, Illinois, Iowa, Maine, Michigan, New Mexico, New York, North Carolina, and Oklahoma. The coalition indicates that food policy councils “bring together stakeholders from diverse food-related sectors to examine how the food system is operating and to develop recommendations on how to improve it.” The councils are generally either commissioned by state or local government, or are predominately a grassroots effort.

State Fiscal Effect: General fund expenditures increase by at least \$74,970 in fiscal 2010, which accounts for a 90-day start-up delay. This estimate reflects the cost of hiring an administrator and a part-time administrative officer to staff the council and providing expense reimbursement to council members. It includes salaries, fringe benefits, and ongoing operating expenses. The bill requires the Governor’s Intergovernmental Commission on Agriculture to provide staff for the council. The commission, however, is currently staffed part-time by an MDA employee and MDA indicates it does not currently have the staff resources to support the council.

Positions	1.5
Salaries and Fringe Benefits	\$71,734
Operating Expenses	<u>3,236</u>
Total FY 2010 State Expenditures	\$74,970

Future year expenditures reflect full salaries with 4.4% annual increases, 3% employee turnover, and 1% annual increases in ongoing operating expenses.

The estimate only accounts for costs expected to be incurred for the council to generally serve in an advisory and advocacy role, in accordance with the bill's requirements that the council develop specified strategies, promote institutional purchase and consumption of Maryland-grown food products, recommend specified policies, programs, and activities, and identify mechanisms by which the State may expand markets for Maryland agricultural products. However, additional resources are expected to be necessary to implement strategies, policies, programs, etc. developed, recommended, or identified by the council. MDA estimates a minimum of \$50,000 in additional resources will be necessary to effectively carry out efforts that may result from the council's activities.

Small Business Effect: To the extent the council's efforts serve to increase spending on, and consumption of, Maryland-grown foods, farmers in the State may benefit.

Additional Information

Prior Introductions: None.

Cross File: SB 816 (Senator Raskin, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Maryland Department of Agriculture, Governor's Office, U.S. Department of Agriculture (Food and Nutrition Service), Share Our Strength, Community Food Security Coalition, Department of Legislative Services

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